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FISCAL IMPACT STATEMENT

LS 7208

BILL NUMBER: HB 1244

NOTE PREPARED: Feb 26, 2004

BILL AMENDED: Feb 19, 2004

SUBJECT: Agricultural and Tourism Matters.

FIRST AUTHOR: Rep. Mangus

FIRST SPONSOR: Sen. Hershman

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill adds two new members and assigns new duties concerning agritourism to the Indiana Tourism Council.

The bill permits the Indiana corn marketing council to spend up to 25% of the council's revenue for administrative expenses. (Current law restricts expenditures for administrative expenses to 10% of council revenue.) The bill provides that the Indiana Corn Market Development Council (council) is a public body corporate and politic. The bill establishes the Indiana Corn Market Development Account to be administered by the Council. It continually appropriates money in the account.

The bill provides that the Indiana Dairy Industry Development Board is a separate body corporate and politic. The bill provides that the definition of "milk" in the board statute is restricted to milk produced by cows. The bill provides that the Board may make certain determinations based on year end milk marketing figures from any source the Board considers reliable. It provides that the number of Board members to which a producer is entitled is based on funds retained in Indiana. The bill makes other changes relating to the composition of the board. It provides that board members are entitled to a salary per diem determined by the Board and are entitled to receive reimbursement for travel and other expenses as determined by the Board. The bill provides that the salary per diem and travel and other expenses may not exceed limits set for expenses for employees of the executive branch of the federal government while away from home in travel status.

Effective Date: July 1, 2004.

Explanation of State Expenditures: *Indiana Tourism Council:* This bill expands the 33 member Indiana Council Board by two members. One of the new members will be the operator of an agritourism business. The other new member will be an appointee of the Indiana Rural Development Council. Members of the

Council who are not state employees are entitled to a per diem. The Department of Commerce provides staff support to the Council.

The bill also expands the duties of the Council to include the promotion of tourism at Indiana farms, horticultural sites, and agribusiness operations.

Corn Marketing Council: Changing the status of the Corn Marketing Council to a body corporate and politic will not have an impact on the state. The bill also creates the non-reverting Corn Marketing Development Account within the State General Fund. Money in the fund may come from voluntary assessments on corn growers, gifts, and grants. Currently, revenue from assessments on Indiana corn growers are held in a separate account by the Indiana Farm Bureau on behalf of the Indiana Corn Market Development Council. The bill transfers funds held on behalf of the Council to the Corn Marketing Development Account.

The bill also increases the percent of revenue that the Corn Marketing Council may use for administrative expenses from 10% to 25%, when the balance of the Corn Marketing Development Account is less than \$500,000. This provision is not expected to impact state expenditures, as all of the Council's expenses are required by law to be paid from assessments on Indiana corn growers.

Indiana Dairy Industry Development Board: Changing the status of the Indiana Dairy Industry Development Board to a body corporate and politic is not expected to have a significant fiscal impact on the state, the Office of the Commissioner of Agriculture, and the Board.

Background on the Indiana Dairy Industry Development Board: The Board's administrative costs are funded through a checkoff program with Indiana milk producers. State law allows the Board to use up to 5% of the funds received from the producers for administrative charges. The remaining funds are used for federally qualified programs related to milk-related promotion, development, and research. Money received by the Board is deposited with the Treasurer of State in the Dairy Industry Development Fund. The Board is required to submit an annual report to the Commissioner of Agriculture. The Commissioner may also participate in Board meetings as an ex officio member.

State employees do not provide staff support to the Board.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Dairy Industry Development Board; Office of the Commissioner of Agriculture; Corn Marketing Council; Treasurer of State.

Local Agencies Affected:

Information Sources: Joe Pearson, Office of the Commissioner of Agriculture, 317-232-8775.

Fiscal Analyst: John Parkey, 317-232-9854.